

To support the council's selection of the public realm services Future Operating Model (FOM), engagement took place with officers, Group Leaders and cross party Members, to understand what was important to the council regarding these services, and what had been learnt from the current operating model.

The consensus from this engagement was that the any new arrangements should provide the council with greater assurance, be flexible and agile, be aligned to the council's new environmental and net zero carbon requirements, provide the council with expertise when required, ensure VFM and service quality services focussed upon providing excellent service to the customer.

From this engagement the following eight "Key Objectives" were derived:

<b>Key Objective</b>	<b>Description of what the Council would like to achieve</b>
Assurance	The council seeks a level of assurance regarding the operation of the service, where technical staff are directed by council employed staff who commission the services, manage the network, develop the annual plans, provide technical expertise and provide adequate levels of scrutiny, challenge and assurance to services being delivered by the contractors.
Flexibility	The new arrangements need to be able to flex to deliver seasonal workload fluctuations, changes to budgets (up and down) and resilience to deliver the council's annual works programme, infrastructure projects and support with civil emergencies.
Environment	The future arrangements must be aligned with the council's commitments to carbon net zero and wider environmental requirements.
Customer	The services must be focussed on delivering excellent customer services where the quality of service, digital reporting and access to information (CRM) and speed of response are key factors.
Expertise	To deliver the broad range of public realm services, the council will require access to industry expertise, best practice (what is working

	well in other areas) and innovation to develop and improve services continually.
VFM	Any contracted services resulting from the model selected must be attractive to the market to ensure interest and competition. The model selected must promote continual improvement, innovation and efficiencies and evolve during its term.
Risk	The future arrangements and any supporting contracts must place an appropriate balance of risk between the council and any providers, in the knowledge the council will ultimately pay for risk held by the provider.
Social Value	Social Value refers to the wider financial and nonfinancial value created by an organisation through its day to day activities in terms of the wellbeing of individuals and communities, social capital created and the environment.

Following investigation in the market and trends in public sector public realm service redesign and procurement, six models were selected.

Model No.	Model Type
1	Council deliver all services in house
2	Council core services and works delivered in house, with contracts for specialist top up services and major works
3	In house client and technical staff with framework for top up professional services and <u>multiple</u> contracts for works
4	In house client and technical staff with framework for top up professional services and <u>single</u> contract for works
5	In house client and technical staff with existing provider (single contract) for top up professional services and works
6	Thin client with sole integrated contract for professional services and all works

Scoring was undertaken as follows with equal weighting applied:

Score	Description
0	Does not meet the objective
1	Meets only minor aspects of the objective
2	Meets some aspects of the objective
3	Meets most aspects of the objective
4	Meets fully the requirements of the objective

Outcome of the options appraisal:

Ranking	Model	Score
1	Model 5- In house client and technical staff with existing provider (single contract) for top up professional services and works	24
2	Model 4- In house client and technical staff with framework for top up professional services and <u>single</u> contract for works	22
3	Model 2- Council core services and works delivered in house, with contracts for specialist top up services and major works	21
4	Model 6- Thin client with sole integrated contract for professional services and all works	20
5	Model 1- Council deliver all services in house	17
6	Model 3- In house client and technical staff with framework for top up professional services and <u>multiple</u> contracts for works	16

The options appraisal of the six models is provided below, with scores applied for each Key Objective, with a description to support the scoring applied.

Note- Model 6 is the current model that has been operating since 2013.

Delivery Models		Assurance	Flexibility	Environment	Customer	Expertise	VFM	Risk	Social Value	Total
1	<b>Council deliver all services in house</b>	4	1	3	3	1	1	1	3	17
		<p>In house services provide the high level of assurance that the council seek, which could be designed to meet environmental, social and customer requirements and adapt over the term.</p> <p>The council would invest and provide the IT/CRM and fleet.</p> <p>The model scores poorly due to a lack of market expertise, lack of flexibility in the absence of a large contractor and their supply chains, places a high level of risk on the council and is expected to cost significantly more than the current service arrangements.</p>								
2	<b>Council core services and works delivered in house, with contracts for specialist top up services and major works</b>	4	2	3	3	2	2	2	3	21
		<p>Core in house services provide the high level of assurance that the council seek, which could be designed to meet environmental, social and customer requirements.</p> <p>The council would invest and provide the IT/CRM and core fleet.</p> <p>This model places a high degree of risk onto the council.</p> <p>The contracts for delivery of the specialist services and the major works with limited scope, committed value (pipeline), may struggle to attract market competition (VFM) and will be unlikely to provide the industry expertise of a large provider working in partnership with the council.</p>								

Delivery Models		Assurance	Flexibility	Environment	Customer	Expertise	VFM	Risk	Social Value	Total
3	<b>In house client and technical staff with framework for top up professional services and <u>multiple</u> contracts for works</b>	3	2	2	1	2	3	1	2	16
<p>In house client and core technical staff will provide the level of assurance that the council seek.</p> <p>The contracts for delivery of specialist professional services (top up) could be procured from a framework of contract, delivering some wider expertise and supporting flexibility.</p> <p>Multiple works package would be most likely provided by Tier Two and Tier Three providers.</p> <p>Multiple smaller providers may struggle to invest up front in fleet and the IT/CRM system would need to be provided and hosted by the council, used by multiple providers which would create some challenges relating to co-ordination of works and customer services.</p> <p>Multiple smaller providers score poorly for delivering market expertise and social value. The council contracting directly with smaller providers may improve the cost base over a Tier One provider (VFM), but this would be offset by the council holding more risk, and the additional client and contract management costs for the council running multiple contracts.</p>										

Delivery Models		Assurance	Flexibility	Environment	Customer	Expertise	VFM	Risk	Social Value	Total
4	<b>In house client and technical staff with framework for top up professional services and <u>single contract for works</u></b>	3	3	3	3	3	2	2	3	22
		<p>In house client and core technical staff will provide the level of assurance that the council seek.</p> <p>The contracts for delivery of specialist professional services (top up) could be procured from a framework of contract, delivering some wider expertise and supporting flexibility.</p> <p>Works in a single package would be most likely provided by a Tier One or large Tier Two provider, securing market interest and competition due to the scope and scale of the opportunity.</p> <p>A single works provider could reasonably be expected to invest up front in fleet and the IT/CRM system, to ensure a good level of customer service aligned to the council's digital strategy.</p> <p>The single provider also scored well on delivering market expertise and social value, and would be expected to form a partnership arrangement with the council.</p> <p>This model delivers a good balance of risk between the council, professional services provider and single works contractor.</p> <p>Re-tendering for the works in this current climate of high inflation and material/supply chain challenges, could impact adversely on service costs and VFM, although this could be reviewed and evolve over the term.</p>								

Delivery Models		Assurance	Flexibility	Environment	Customer	Expertise	VFM	Risk	Social Value	Total
5	<b>In house client and technical staff with existing provider (single contract) for top up professional services and works</b>	3	3	3	3	3	3	3	3	24
		<p>In house client and core technical staff will provide the level of assurance that the council seek. The staff in-sourced will cost slightly more due to the council's more generous terms and conditions and pension scheme, although this cost could be recovered by direct control with more efficient working practices. The in-sourcing involves a risk that some of the staff identified to be in-sourced do not take up the offer, leaving the council with a short term resource void, and the cost and time of recruiting in a challenging market place.</p> <p>The current contract with a significant extension of around 7 years (initial period) with a further 3 years subject to satisfactory performance to 2033, will enable the council to work in partnership with the contractor.</p> <p>This partnership would be used to review and improve the current operations, develop and implement new ways of working, invest in new fleet (environment), enhance the IT/CRM and customer services aligned to the council's emerging digital strategy and launch a re-branded new look service.</p> <p>The Tier One provider scores well in terms of flexibility (established access to supply chains), market expertise, and striking a good balance of risk with the council and delivering social value.</p> <p>This model negates a high proportion of the council's costs and risks associated with procuring new contracts, and the funds that the existing provider would need to re-tender could potentially be directed into investing in the Key Objectives.</p>								

Delivery Models		Assurance	Flexibility	Environment	Customer	Expertise	VFM	Risk	Social Value	Total
		6	<b>Thin client with sole integrated contract for professional services and all works</b>	1	3	3	2	3	2	
		<p>This model represents re-procurement of the current model with the council providing only a thin client delivering contract management plus the commissioning of services and developing the annual plan.</p> <p>This model fails to produce the level of assurance and control that the council are seeking.</p> <p>This model would be attractive to Tier One suppliers, and scores well for flexibility (supply chains), environment (fleet), expertise and social value.</p> <p>For service delivery and customer service, this model does not provide the council the level of assurance being sought, and places too much ownership onto the sole provider where changes requested by the council are subject to contract change control and re-pricing with a delay (and risk) in the ability of the council to change the services over the medium to long term.</p> <p>Procurement of a similar model in the current market raises concerns over VFM where the council are likely to see a significant cost increase.</p>								